



Los Angeles County
Board of Supervisors

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July 9, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Don Knabe
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **ADVANCED NOTIFICATION OF SOLE SOURCE
AGREEMENT NEGOTIATIONS WITH i2i SYSTEMS,
INC.**

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Director

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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners.*

This is to advise the Board that within two weeks' time, the Department of Health Services (DHS) intends to enter into sole source agreement negotiations with i2i Systems, Inc., (i2i) to provide i2iTracks, a disease management registry software system, which allows DHS primary care practices to effectively manage Los Angeles County's patient population. Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for agreements over \$250,000.

Background

On September 6, 2011, the Board approved an assignment of the i2i software license and maintenance and support agreement with L.A. Care Health Plan (LA Care) to DHS. This assignment delegated all of the LA Care obligations, responsibilities and duties of the agreement between i2i and LA Care to DHS except for the payment obligation of a software license fee and ongoing annual maintenance and support fees.

The initial acquisition and payment of i2iTracks was expedited to meet the requirements of 1115 Waiver implementation. LA Care will continue to pay for the ongoing costs of the maintenance and support until it expires on January 10, 2014. LA Care does not intend to continue paying for the annual maintenance and support because i2iTracks is not and has never been employed by LA Care. DHS intends to enter into an Agreement with i2i beginning January 11, 2014 for three (3) years plus two (2) one-year optional extensions to continue the maintenance and support of i2iTracks and meet potential customization needs at DHS facilities.



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Justification

The basis for the sole source determination is that the perpetual software license for i2iTracks has already been acquired by DHS for \$170,000 through LA Care. Furthermore, i2iTracks has become embedded in DHS' clinical infrastructure and is vital in meeting the care management needs of the patient-centered medical homes (PCMH) with the Ambulatory Care Network (ACN). i2iTracks has been customized for the workflows and health care staff functions at ACN and DHS facilities. Given that additional customization and services are required to augment existing i2iTracks features, it would be cost prohibitive to seek a new service provider. Moreover, the level of customization and development that i2i has provided to DHS makes i2iTracks at DHS a unique product that cannot be substituted with other vendor solutions in a time-and-cost-effective manner. i2iTracks plays a key part in DHS's program to provide accountability, responsibility, and transparency in the delivery of patient care.

DHS will proceed in sole source negotiations with i2i Systems Inc. within two weeks from the date of this memo unless the Department is instructed otherwise by the Board.

If you have any questions, please let me know.

MHK:kh

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors